(b) The sharp reduction in the current deficit in 1991-92 from the level recorded in 1990-91 reflects the effects of the import compression measures put in place as part of the adjustment strategy to counter the effects of the payments crisis which followed in the wake of the Gulf war of 1990. During the year 1993-94, according to the partial data available, the distinct narrowing of the current account deficit mirrors the strong improvement in the merchandise trade balance brought about by a robust growth in exports and sluggish import demand.

(c) The invisibles account is estimated to have recorded a deficit of US $ 92 million during the first half of 1993-94 which is significantly lower than the deficit of US $ 336 million during April—September 1992.

Balance of Payment

5441. SHRI PRAKASH YASHWANT AMBEDKAR : Will the Minister of FINANCE be pleased to state :

(a) how Government monitory country's Balance of Payment position;

(b) what are the norms prescribed for the management of country's balance of payment;

(c) whether I.M.F. and World Bank are satisfied with the performance of various components of country's balance of payment; and

(d) if so, their reaction ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) The Reserve Bank of India is principally responsible for monitoring and analysing the country's BOP position. Developments in various components of the country's balance of payments are kept under close monitoring by the Ministry of Finance in coordination with the RBI with a view to maintain its continued viability and permit the required policy intervention.

(c) and (d) The I.M.F. has expressed satisfaction over the performance of India's balance of payments. As the country's balance of payments has imporoved considerably we do not expect any dissatisfaction from the World Bank either on this account.

Debt Service Commitments

5442. SHRI PRAKASH YASHWANT AMBEDKAR : Will the Minister of FINANCE be pleased to state :

(a) the debt service commitments during the Eighth Five Year Plan, yearly;

(b) whether it is a fact that debt servicing is expected to peak in the year 1996-97;

(c) if so, how Government propose to meet the situation, as debt service consumes 54 per cent of revenue receipts;

(d) whether Government have prepared any strategy to face the situation arising out of higher debt servicing by the end of the Eighth Five Year Plan; and

(e) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) The debt service commitments during the first three years of the Eighth Five Year Plan are as under :—

(Rs. crores)

	1992-93	1993-94	1994-95
	(Actuals)	(RE)	(BE)
1. Repayment debt (excluding 91 days Treasury Bills, Reserve Funds and deposits not bearing interest and suspense transactions)	38457	48412	63637
2. Interest payments	30968	37500	46006
	69425	85912	109631